WISCONSIN EMPLOYMENT RELATIONS COMMISSION
BEFORE THE MEDIATOR-ARBITRATOR

In the Matter of the Arbitration Between	
PORT EDWARDS EDUCATION ASSOCIATION	Case VI No. 31660 Decision No. 20915-A MED/ARB-2283
and	
PORT EDWARDS BOARD OF EDUCATION	OPINION AND AWARD

Appearances:

For the Association: David W. Hanneman, Executive Director, Central Wisconsin UniServ Council-South, Wausau.

For the Employer: William G. Bracken, Wisconsin Association of School Boards, Winneconne.

BACKGROUND

On May 31, 1983, the Port Edwards Education Association (referred to as the Association) filed a petition with the Wisconsin Employment Relations Commission (WERC) requesting that the Commission initiate mediation-arbitration pursuant to Section 111.70 (4) (cm) (6) of the Municipal Employment Relations Act (MERA) to resolve a collective bargaining impasse between Port Edwards Board of Education (referred to as the Employer or School Board) concerning a successor to the parties' collective bargaining agreement which expired August 20, 1983.

On August 11, 1983, the WERC found that an impasse existed within the meaning of Section 111.70 (4) (cm). On August 29, 1983, after the parties notified the WERC that they had selected the undersigned, the WERC appointed her to serve as mediator-arbitrator to resolve the impasse pursuant to Section 111.70 (4) (cm) (b-g). No citizens' petition pursuant to Section 111.70 (4) (cm) (6) (b) was filed with the WERC.

By agreement, the mediator-arbitrator met with the parties in Port Edwards, Wisconsin, on October 25, 1983 to mediate the above impasse. Although several items in dispute were settled at that time, the impasse continued. An arbitration hearing was held on November 1, 1983 at which time the parties were given a full opportunity to present evidence and oral arguments. Briefs were subsequently filed and exchanged through the arbitrator.

ISSUES IN DISPUTE

For their 1983-85 agreement, the parties were able to resolve all issues (including the base salaries) except the salary increase for returning teachers in 1983-84 and 1984-85. For 1983-84, the School Board's final offer is 4% of 1982-83 salary plus $550; the Association's final offer is 6% of 1982-83 salary plus $375. For 1984-85, the School Board's final offer is 4% of 1983-84 salary plus $350; the Association's final offer is 6% of 1983-84 salary plus $400.

STATUTORY CRITERIA

Under Sec. 111.70 (4) (cm) (7) the mediator-arbitrator is required to give weight to the following factors:

A. The lawful authority of the municipal employer.

B. Stipulation of the parties.

C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

D. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.

E. The average consumer prices for goods and services, commonly known as the cost-of-living.

F. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits received.

G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

H. Such other factors, not confined in the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

POSITIONS OF THE PARTIES

The Association

To support its wage offer in this proceeding, the Association relies heavily upon a variety of comparables including K-12 districts in a twenty mile radius, the two other districts in the tri-city group (Nekoosa and Wisconsin Rapids), contiguous districts (Pittsville, Wisconsin Rapids and Nekoosa), other Wisconsin School Districts which have a pulp or paper mill, and all other Wisconsin school districts with 40-45 full time equivalent teachers. The Association believes that special weight should be given to the "Twenty Mile Radius" group because it includes districts heavily dependent upon the paper industry and is the economic area where Port Edwards residents and teachers spend money to obtain many goods and services. In contrast to this primary comparable, the Association argues that the Athletic Conference should be given less weight because the districts are widely scattered and only three of the twelve schools are nearby within the twenty mile radius of Port Edwards.

The Association further argues that the Board's offer represents a significant regression and major departure from the status quo since, for the last three years, returning Port Edwards teachers received 6% of their last year's salary plus a certain dollar sum. According to the Association, it is the Employer who has the burden of proof to justify its new position since the Employer is proposing to change the status quo while the Association's proposal is designed to continue the status quo. The Association believes that the School Board's offer is particularly untimely and unfortunate because it comes when other school boards are strengthening or improving their teachers' salary schedules and represents a breach of promise to Port Edwards teachers, particularly highly trained, career teachers.

The Association also points to benchmark data, particularly at the MA 10 level as well as comparable percentage wage increases and the improving economy to support its conclusion that the Association's final offer better maintains the position of Port Edwards in any of the groupings of comparables.

Also relevant, in the Association's view, is the fact that 1983-84 wage increases will not be received until many months of that period have passed, thus reducing the value of the increases.

As for private sector comparables, particularly workers with similar training and experience, the Association concludes that its offer prevents further erosion of the teachers' generally adverse position. When comparing teachers with paper mill workers in Port Edwards, the Association contends that only a long term comparison is appropriate, not a short term comparison of one or two years. Using the Association's approach, the Association's offer is to be favored.

Acknowledging that it is difficult to forecast 1984-85 wages, the Association notes, nevertheless, that it is reasonable to assume a growing economy and teacher wage (only) adjustments in excess of 8%. Accordingly, it views its 1984-85 offer as also being superior to the Employer's 1984-85 offer.

For all the above reasons, the Association concludes that its offer should be selected.

The Employer

The School Board argues that the appropriate comparables are the school districts comprising the Athletic Conference. It supports this conclusion by noting that both parties have submitted comparability evidence on the Athletic Conference and that the Athletic Conference districts are similar, based on traditional criteria such as enrollment, FTEs, and other common characteristics. The Board argues that the Association has submitted additional comparables which are either not at all comparable in size (Wisconsin Rapids, for example, has ten and one half times the number of students Port Edwards has) or where basic data on important elements of comparability has not been provided. Finally, the Employer reviews arbitration awards for 1982-83 which involved five of the school districts included on the Association's "Twenty Mile Radius" group. Only in one, Tri-County, a member of the same Athletic Conference as Port Edwards, was Port Edwards used as a comparable. In the Tri-County case, the parties and the arbitrator relied upon the Central State Athletic Conference to determine comparability.

As for costing the parties' final offers, the School Board argues that the arbitrator should accept certain calculations developed jointly prior to the arbitration by Association and Board representatives. These indicate that, for 1983-84, implementing the Board's total offer based upon average salary is 7.7% (6.6% wages only) while the Association's final offer is 8.5% (7.8% wages only). These jointly developed figures were based upon the 1982-83 staff held constant and is "the best way" to make an "apples-to-apples" comparison. The Board disagrees with the Association's alternative methods used at the arbitration hearing based upon actual-to-actual costs both as to methodology in general and because of the speculative nature of the information used in making the calculations.

Next, the School Board characterizes Port Edwards as a wage leader, noting the very high maximum salaries earned in the district and looking at how much less Port Edwards teachers would make if placed on the salary schedules of Conference schools. This is true not only because of the general salary policy favoring experienced teachers in Port Edwards but also because of the 1982-83 salary adjustment in Port Edwards (the second year of a two year contract) which resulted in a total package settlement in excess of 11%. As a wage leader, Port Edwards should not have to match the same percentage increase of other school districts which are trying to "catch-up".

Not only is Port Edwards a wage leader, according to the Employer, it offers an "outstanding" array of fringe benefits, including more extensive insurance coverage than most of the comparables. It also provides an impressive number of other benefits such as leave and job security protections. The School Board notes that stipulations already reached in this case continue rather than take away the existing level of generous benefits.

Finally, the School District supports its final offer by pointing to private sector settlement patterns, relevant cost-of-living (CPI) and other economic data for 1983, and various economic predictions for 1984. When all the above is considered by the arbitrator, the Board believes that she should select its final offer because that offer strikes a fair balance or compromise between taxpayer and teacher interests.

DISCUSSION

For many years, the Port Edwards Education Association and the Port Edwards School Board have negotiated and were able to reach a voluntary settlement on the contents of their collective bargaining agreements. This interest arbitration is the first such proceeding between these parties. Except for salaries for returning teachers in 1983-84 and 1984-85, all other items for a two year agreement have been voluntarily settled prior to the arbitration phase of mediation-arbitration.

Bargaining for this contract presented special difficulties because of a recent strike and settlement at Nekoosa Papers, a key local industry. Arbitration of this dispute is also difficult, despite the limited nature of the dispute, because beginning in 1975-76 the parties have rejected the traditional grid for teachers' salaries. Instead, they have adopted a very different method of teacher compensation whereby each returning Port Edwards teacher received a percentage of their prior year's salary plus a fixed dollar sum.[1] This atypical salary compensation plan makes comparisons an exceedingly difficult task. In addition, the parties have a serious disagreement as to which districts are appropriate comparables and some differences as to the costing of the final offer packages.

The Association urges a broad variety of comparables. To this arbitrator, state-wide comparisons of similar sized school districts have limited value. This is also true of other paper mill school districts because of their scattered, diverse nature. As for contiguous school districts and others within a twenty mile radius, there may be reason to give some weight to at least some of them if other common characteristics in addition to common geography are identified. Insufficient information has been presented herein, however, to give significant weight to these groupings of comparables. This leaves the Athletic Conference school districts as the primary comparables despite the Association's argument that they should receive less weight because only three school districts included in the conference are closeby geographically, within the twenty mile radius. Neverthless, both parties did urge that the Athletic Conference school districts be utilized in making comparability judgments and this fact by itself is a relevant consideration in determining appropriate comparables.

In addition to determining what are the appropriate comparable school districts, there is another threshold question that must be examined. Shortly before the arbitration proceeding, certain mutually agreed upon costing figures were developed by representatives of both parties. These figures looked at members of the bargaining unit as of the 1982-83 year and then assumed that these same people would be returning in 1983-84 and 1984-85. At the hearing, the Association presented exhibits which utilized a smaller 1983-84 teaching staff and assumed a lower than originally projected increase in insurance premiums. Neither the former nor latter assumptions were factually established. Moreover, holding the bargaining unit numbers constant in this case is more reasonable. Accordingly, the undersigned will utilize the agreed upon costing figures submitted by the Employer as fairly representing the value of the parties' final offers and the total packages.

In urging the arbitrator to select the Association's final offer herein, the Association argues that its offer should be selected because it continues the status quo. More specifically, the Association points to the three prior years, 1980-81, 1981-82 and 1982-83 when each returning teacher received a 6% salary increase plus a fixed dollar sum and its final offers for 1983-84 and 1984-85 which also call for a 6% salary increase plus a fixed dollar sum. The Association further argues that the burden is upon the Employer to justify any change from this 6% status quo and characterizes the Employer's final offers of 4% plus a fixed dollar sum as a "major change" from past practices, indeed a breach of promise. It is difficult to understand this argument. Not only has there been a variety of fixed dollar sums agreed upon by the parties over the years since this salary compensation plan was initiated in 1975-76, an examination of the percentage increases over the years reveals that there has not been a uniform 6% either. Accordingly, no special significance shall be given to the fact that in each of the three years immediately prior to this present year, teachers received an across the board raise of 6% (plus a fixed dollar sum).

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1. 1975-76 (4% + $500)
   1976-77 (5% + $500)
   1977-78 (4% + $450)
   1978-79 (4% + $500)
   1979-80 (4% + $550)
   1980-81 (6% + $700)
   1981-82 (6% = $915)
   1982-83 (6% + $800)

As noted above, because of the unique nature of the Port Edwards teacher compensation plan since 1975-76, it is difficult to make the customary comparisons of the final offers herein with teacher salaries in the comparable school districts with traditional grids. A customary benchmark analysis cannot adequately take into account the fact that there is no maximum "cap" or "top" for Port Edwards teachers. Moreover, the Port Edwards School District has been a salary leader, most recently in 1982-83 when teachers benefited from a second year settlement which turned out to be "generous" in view of the change in the economy. For the undersigned, the basic issue is whether the Employer's total package increase of 7.7% for 1983-84 and 6.6% for 1984-85 is more reasonable than the Association's total package increase of 8.8% for 1983-84 and 8.5% in 1984-85. While the disparity between the two final offers is greater for 1984-85 than for 1983-84, there is little available reliable data to use except some very general economic forecasts for 1984-85. Accordingly, as both parties acknowledge, the outcome of this proceeding must turn upon the parties' 1983-84 proposals and stipulations rather than the 1984-85 proposals and stipulations.

Scrutinizing the total package increases in the Athletic Conference school districts for 1983-84, it appears to the undersigned that the Employer's offer is more reasonable, although this is a close judgment call. The conclusion that the Employer's final offer is to be preferred under the statutory criteria is further supported by Employer exhibits which indicate how much more Port Edwards teachers receive when placed on the salary schedules in Athletic Conference school districts. Moreover, when total compensation, including economic fringe benefits, is considered, Port Edwards teachers' ranking is not diminished because of the impressive array of benefits provided to these bargaining unit members. Lastly, it is obvious that the cost of living factor favors the Employer's offer.

As a final note, the undersigned wishes to explain why she has not based her determination herein upon private sector settlements and comparison even though the statute lists this as a factor and the Nekoosa Papers settlement became an important consideration preventing voluntary settlement of this dispute. Too little information has been offered in this proceeding to evaluate private sector settlements and comparables. Before a serious comparability analysis can be made involving private sector settlements, more basic data must be supplied on wages, hours, terms of employment, job duties, job security, etc. When the records in arbitration proceedings contain this type of data, private sector comparables will no doubt receive serious consideration.

AWARD

Based upon the statutory criteria in Section 111.70 (4) (cm) (7), the evidence and arguments presented in this proceeding, and for the reasons discussed above, the mediator-arbitrator selects the final offer of the Employer and directs that it, along with all already agreed upon items, be incorporated into the parties' 1983-85 collective bargaining agreement.

Dated: February 29, 1984
Madison, Wisconsin

June Miller Weisberger
Mediator-Arbitrator